

EXHIBIT 3

GEORGE TIMBERLAKE

Page 1

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE EASTERN DISTRICT OF PENNSYLVANIA

3 - - -

4 MLEA, INC., : NO. 02-CV-4393
 Plaintiff :

5 :
 vs. :
6 :

 ATLANTIC RECYCLED RUBBER, INC., :
7 RECOVERY TECHNOLOGIES GROUP, :
 INC., and CASELLA WASTE SYSTEMS, :
8 INC., :
 Defendants :

9 - - -

10 Oral deposition of GEORGE TIMBERLAKE, taken
11 pursuant to notice, held at the offices of
12 BUCHANAN INGERSOLL, P.C., 11 Penn Center,
13 14th Floor, 1835 Market Street, Philadelphia,
14 Pennsylvania, on Tuesday, November 18, 2003,
15 beginning at 10:15 a.m., before Kelly A. Draham,
16 Shorthand Reporter-Notary Public, there being
17 present.

18 - - -
19
20

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24

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1 A. He had the technical responsibility for
2 this. And also, he was my boss as much as a
3 consultant has a boss. And he was involved from
4 the initial inception from the technical point of
5 view.

6 Q. At that time who did you understand the
7 customer to be?

8 A. Well, I thought it was Mr. Anderson.

9 Q. And who did Mr. Anderson work for?

10 A. Well, that's where I have a lapse. I'm
11 kind of thinking it might have been something like
12 Atlantic Recycling or something.

13 Q. Well, how about Atlantic Recycled
14 Rubber?

15 A. Yes, ARR.

16 Q. Okay.

17 A. His title was president. So, yes, sir,
18 Mr. President, what can we do for you, sir.

19 Q. When did Messer first make a proposal
20 to Mr. Anderson regarding the construction of this
21 plant?

22 A. I think the first proposal might have
23 been August, the first written proposal. I don't
24 believe I knew enough about the requirement at

1 Q. You wrote this letter when you told
2 Mr. Anderson that the lease was preliminarily
3 approved. Did you ever talk to Mr. Cohen again?

4 A. Oh, I talked to him many times after
5 that on different other possibilities, not on this
6 one I don't believe but on other possibilities.

7 Q. Other possibilities being other
8 projects or other --

9 A. Yeah, other projects.

10 Q. Okay. But not about the Truro project?

11 A. Not having anything to do with this.

12 Q. We have to watch speaking over each
13 other, speaking at the same time. That's more my
14 fault than yours.

15 You also say that National Fleet
16 Leasing is the company that normally provides this
17 service to our customers. How many times in the
18 past did you use National Fleet Leasing?

19 A. This is the first time that I tried to
20 actually set a completed -- to arrange a completed
21 lease. Before that I had some other possibilities
22 that I went to them for, primarily having to do
23 with Electrolyzer. They didn't get very far. So
24 this was the only one that I brought into the

1 condition that I could actually say I arranged
2 this to happen.

3 Q. Had you ever used National Fleet
4 Leasing when you were consulting for Messer AGS
5 before?

6 A. No. They have their own financial
7 systems.

8 Q. Why did you go outside their normal
9 financial systems in this incident?

10 MR. KATAUSKAS: Objection;
11 form. He didn't say it was
12 normal. He said they had their
13 own. But you can answer.

14 MR. McCORMICK: I think he
15 said had their own normal.

16 THE WITNESS: Messer would
17 not be leasing this equipment.
18 This company would be leasing the
19 equipment.

20 MR. KATAUSKAS: When you
21 say this company you're pointing
22 to --

23 THE WITNESS: Right.
24 Recovery Technologies would be

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1 leasing this equipment. So
2 Messer's financial apparatus did
3 not allow for that. So I went to
4 people that I knew.

5 BY MR. McCORMICK:

6 Q. Would it surprise you to know that
7 Mr. Cohen said this lease was never preliminarily
8 approved?

9 A. Yes, it would. It's not what he told
10 me.

11 Q. Did you ever receive anything in
12 writing from National Fleet Leasing saying this
13 lease was in place?

14 A. No. As far as I know it was never in
15 place. You know, it would require input from
16 Recovery Technologies to put the lease in place,
17 and that never occurred.

18 Q. Did you ever submit any information to
19 National Fleet Leasing regarding this project?

20 A. Yes.

21 Q. What did you submit?

22 A. The sent the proposal, the same
23 proposal that was sent here and --

24 MR. KATAUSKAS: You're

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1 record.

2 MR. KATAUSKAS: I'm sorry?

3 MR. McCORMICK: It's

4 previously been marked as

5 Menendez-1, which I already put

6 on the record.

7 MR. KATAUSKAS: I

8 understand. It's just easier if

9 the date is also on the record.

10 BY MR. McCORMICK:

11 Q. Mr. Timberlake, did you understand that

12 at this time in 2000, September of 2000, the

13 purchase of this plant was contingent on the

14 completion of the leasing agreement?

15 A. I did.

16 Q. But that leasing agreement was never

17 put in place; is that correct?

18 A. That's correct.

19 Q. It was also contingent on the

20 acceptance by Canadian and local authorities; is

21 that correct?

22 A. That's what it says.

23 Q. Was that your understanding at the

24 time?

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1 reasonable to assume that the project is going to
2 go forward.

3 Q. But after that letter of intent weren't
4 you still trying to get them to sign the proposal?

5 A. Definitely. That's what I do.

6 Q. In that letter of intent -- I think we
7 already looked at it. That's the letter of intent
8 that makes the purchase of the turnkey plant
9 contingent upon completion of a leasing agreement;
10 is that correct?

11 A. Yes.

12 MR. KATAUSKAS: You've
13 handed him which exhibit?

14 MR. McCORMICK: It was
15 marked as Menendez-1. It was not
16 marked during this deposition.
17 It's a September 13th letter.
18 Off the record.

19 - - -

20 (Whereupon a discussion was held off
21 the record.)

22 - - -

23 BY MR. McCORMICK:

24 Q. Other than Mr. Anderson's urging you to

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1 kinds of leases.

2 Q. I didn't ask you that. What was your
3 understanding of the type of lease that you
4 arranged?

5 A. I didn't know there were other kinds of
6 leases, so I didn't know what the type was.

7 Q. Did you have any understanding at all
8 regarding any terms or conditions of the lease --

9 A. No.

10 Q. -- that you say you had arranged?

11 MR. KATAUSKAS: Wait until
12 he's done his question.

13 BY MR. O'RIORDAN:

14 Q. None at all?

15 A. No.

16 Q. And, Mr. Timberlake, in the final part
17 of that sentence you say National Fleet Leasing,
18 the company that normally provides this service to
19 our customers. Do you see that?

20 A. Uh-huh.

21 Q. That was not a true statement when you
22 made that, was it?

23 A. Well, actually it is. I've asked them
24 for several different kinds of leases -- or not

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1 kinds of leases, but leases for different kinds of
2 equipment. They were mostly hydrogen equipment
3 having to do with Electrolyzer. And Electrolyzer
4 is a company that I've worked for also. And, yes,
5 they've offered to provide leases for them more
6 than once.

7 Q. You had never arranged a lease with
8 National Fleet Leasing; correct?

9 MR. KATAUSKAS: Objection;
10 asked and answered at least three
11 or four times.

12 MR. O'RIORDAN: Well, now
13 he's opened the door to a
14 contradictory statement.

15 MR. KATAUSKAS: He hasn't
16 opened the door to anything.
17 It's asked and answered. Move
18 on.

19 MR. O'RIORDAN: No, I'm not
20 going to move on.

21 MR. KATAUSKAS: Well, we'll
22 get to the point where I'll
23 instruct him not to answer and
24 you can call the judge.

1 MR. O'RIORDAN: We can do
2 that any time you want to, Phil.

3 BY MR. O'RIORDAN:

4 Q. You had not arranged any leases with
5 National Fleet Leasing; correct?

6 A. Except for this one.

7 Q. And National Fleet Leasing was not a
8 company that provided services to Messer
9 customers; is that correct?

10 A. I don't know that.

11 Q. It was not a company, to your
12 knowledge, that provided services to Messer
13 customers?

14 A. That's correct.

15 Q. Okay. And when you use, in this
16 sentence that you authored, our customers you're
17 referring to Messer customers; correct?

18 A. I'm referring to my customers.

19 Q. Your customers? When you use the term
20 our, ours plural?

21 A. Well, mine and Messer's. And in this
22 case this was one from Messer and I have done it
23 before. So our is certainly appropriate.

24 Q. You had done --

1 A. I have asked them for leases before for
2 hydrogen electrolytic systems, yes.

3 Q. All right. But they had never provided
4 a lease to any of your customers?

5 A. Never had the opportunity. Never got
6 far enough.

7 Q. Okay. Mr. Timberlake, I apologize if
8 this was asked. What's your educational
9 background?

10 A. I'm a mechanical engineer with
11 additional courses in mechanical engineering.

12 Q. What college did you graduate from?

13 A. University of Maryland.

14 Q. And what was your degree in?

15 A. BSME.

16 Q. Any degrees past that?

17 A. No, sir.

18 Q. And other than Mr. Cohen, you never
19 spoke with anyone else from National Fleet
20 Leasing?

21 A. Not true. Rick.

22 Q. Rick who?

23 A. His last name escapes me. He's the
24 current president of National Fleet. He took it

1 big and we offered that as an alternate and he
2 didn't want that.

3 Q. And if you look at Menendez-1 --

4 A. Yes, sir.

5 Q. Okay. Now, when you received this --
6 in the second sentence Mr. Anderson says also note
7 that this purchase is contingent on the completion
8 of a leasing agreement and acceptance by Canadian
9 local authority.

10 Had you had any discussion with
11 anyone regarding whether or not the plant was
12 going to be contingent on the completion of a
13 leasing agreement prior to receiving this letter?

14 A. Yes.

15 Q. Okay. And who had you discussed that
16 particular --

17 A. Mr. Anderson.

18 Q. And did he tell you that this purchase
19 was contingent on the completion of a leasing
20 agreement?

21 A. Yeah. Nothing here is new to me. We
22 had discussed all of this before.

23 Q. And did Mr. Anderson ever tell you why?

24 A. No.

1 Q. Did you ever learn why at any point?

2 A. No, sir.

3 Q. And is that something that Mr. Anderson
4 continued to be interested in throughout the
5 entire course of this, your involvement in the
6 Truro project, that is a leasing agreement?

7 A. I'm still involved in Truro. But as
8 long as he was involved he was.

9 Q. And when did Mr. Anderson cease his
10 involvement in the project?

11 A. I would say when Bill Meckert and
12 Marty Sergi became involved.

13 Q. When was that?

14 A. Maybe March or April.

15 Q. Of 2001?

16 A. Yeah.

17 Q. Okay. And when you received this
18 letter from Mr. Anderson you were under the
19 understanding that you had a contract to build a
20 plant; right? And when I say you I mean you
21 working on behalf of Messer?

22 A. Well, this is not a contract. It's a
23 letter of intent. What this implies to me is if
24 we can get a lease and the Canadian authorities

1 A. No, nothing at all.

2 Q. Did you know whether or not it was a
3 start-up company?

4 A. No.

5 Q. You didn't know one way or the other?

6 A. No. I have no way of knowing something
7 like that unless somebody would tell me.

8 Q. Do you believe that that made a
9 difference one way or the other whether or not
10 Atlantic was a start-up company or not?

11 A. No. It was owned by Casella.

12 Q. Did you have any information at that
13 point in time, November 20th of 2000, regarding
14 whether or not Casella was going to guarantee or
15 provide any funding for any lease?

16 A. No.

17 Q. In the second sentence you say you
18 believe the needed information is in the act of
19 being sent today. To what are you referring to
20 there?

21 A. I called Jim Anderson frequently and I
22 probably had called him just before I sent this
23 letter out.

24 Q. And did Mr. Anderson provide you with

1 BY MR. O'RIORDAN:

2 Q. In your next sentence you say however,
3 we are still going to have to go through the
4 approval cycle, which will take up even more time.
5 What is the approval cycle?

6 A. After the information would be sent to
7 Mr. Cohen he would have to go through it, and
8 verify it, and then sign off on it.

9 Q. How did you know that?

10 A. Because he's told me that before.

11 Q. Well, hadn't you already received
12 preliminary approval of this lease?

13 A. Preliminary.

14 Q. Did you have any idea how long the
15 approval cycle would take?

16 A. No.

17 Q. Did you know whether the approval cycle
18 could be done in a day?

19 A. No, I didn't know that.

20 Q. You didn't know?

21 A. I didn't know it then.

22 Q. You didn't know one way or the other?

23 A. No.

24 Q. What was it that caused you to believe

1 that the purchase order ought to be issued?

2 A. Well, my job was to get orders. And
3 since I didn't know that the approval cycle would
4 be long or short, I would have to assume that it
5 would be long and cause us to miss.

6 Q. And in here you proposed that RTG
7 should issue a purchase order for the referenced
8 items, and as soon as the lease is approved Messer
9 will buy them back at the same price.

10 Did you discuss that concept with
11 anyone at Messer?

12 A. Yes.

13 Q. And who did you discuss that with?

14 A. Manny and Roderik Alewijnse.

15 Q. And were you authorized to make that
16 representation?

17 A. Yes.

18 Q. And you identify three items in here; a
19 feed breaker, a transformer, and a cryogenic
20 storage vessel.

21 The \$155,000 that you refer to here,
22 is that the total price for all those items?

23 A. Yes.

24 Q. And you were proposing here that RTG

1 should issue a purchase order for that total
2 price?

3 A. Yes.

4 Q. Thanks. Did you ever, at any point in
5 time, have any discussion with Alan Cohen or
6 anyone from Fleet Leasing regarding the process by
7 which this approval process would work?

8 A. No.

9 Q. And do you ever recall whether or not
10 the information that you were talking about
11 obtaining or that you were talking about
12 Mr. Anderson sending on to Fleet Leasing, do you
13 ever recall one way or the other whether or not
14 that information was actually sent to Fleet
15 Leasing?

16 MR. KATAUSKAS: Could you
17 read that back, please?

18 - - -

19 (Whereupon the reporter read back
20 the last question.)

21 - - -

22 MR. KATAUSKAS: Objection
23 to the form.

24 THE WITNESS: I get the

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1 A. I don't know. It would have been a
2 prudent thing to do.

3 Q. Was it a matter of importance to you?

4 A. Yes.

5 Q. At this point in time do you recall
6 having any further discussions at all with
7 Mr. Cohen or anyone else from Fleet Leasing?

8 A. No.

9 Q. And just so the question is clear, at
10 this point in time you're talking about
11 November 20, 2000, from that point forward did --

12 A. That doesn't mean I didn't have
13 conversations. I just don't recall.

14 Q. And as of November 20, 2000 who was it
15 that you believed was going to be purchasing the
16 equipment that you had referenced in
17 Timberlake-14?

18 A. Who was going to --

19 Q. What was the entity who was going to be
20 purchasing that?

21 A. Oh, I thought that ARR would purchase
22 it.

23 Q. Okay. And what was that understanding
24 based on?

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1 A. That's the way we had been talking.

2 MR. O'RIORDAN: Mark this,

3 please.

4 - - -

5 (Whereupon the court reporter marked

6 Timberlake-15 for purposes of identification.)

7 - - -

8 BY MR. O'RIORDAN:

9 Q. Mr. Timberlake, I've shown you what the
10 court reporter has marked as Timberlake
11 Exhibit-15.

12 A. Yes.

13 Q. And it's a purchase order, 715258,
14 signed by Steve Benison?

15 A. Yes, sir.

16 Q. Have you seen this before?

17 A. Yes, I have.

18 Q. And was this the purchase order for the
19 equipment that we just referred to in the earlier
20 letter?

21 A. It was.

22 Q. And was this a purchase order between
23 Messer Advanced Gas Systems and Atlantic Recycled
24 Rubber, Inc.?

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1 A. Yes.

2 Q. And you understood when you received
3 this purchase order that the entity you were
4 dealing with was Atlantic Recycled Rubber, Inc.?

5 A. Yes. Are we done with this one, sir?

6 Q. Yes, we are.

7 MR. O'RIORDAN: Mark this,
8 please.

9 - - -

10 (Whereupon the court reporter marked
11 Timberlake-16 for purposes of identification.)

12 - - -

13 BY MR. O'RIORDAN:

14 Q. Mr. Timberlake, I've shown you what the
15 court reporter has marked as Timberlake
16 Exhibit-16, which is a December 1st, 2000 letter
17 from Steve Benison, General Manager of Atlantic
18 Recycled Rubber, Inc. addressed to yourself at
19 Messer Advanced Gas Systems. Do you recall
20 receiving this letter?

21 A. Yes, I do.

22 Q. And this letter refers to Purchase
23 Order 715258. Is that the purchase order we just
24 looked at?

1 A. It was indeed.

2 Q. And Mr. Benison's letter states that
3 the items mentioned on P.O.715258 are to be
4 re-purchased by Messer Advanced Gas Systems when
5 the system lease is approved and payment of this
6 P.O. will be from the proceeds of this lease.

7 Is that an agreement you reached
8 with Mr. Benison?

9 A. Yes, sir.

10 Q. And you were authorized to reach that
11 agreement?

12 A. Yes. However, it was not reached with
13 Mr. Benison.

14 Q. Okay. Who was it reached --

15 A. That would be with Mr. Meckert.

16 Q. Okay. But you understood when you
17 reached that agreement you were reaching an
18 agreement with Atlantic Recycled Rubber?

19 A. Certainly. I didn't know how the
20 various entities fit together.

21 Q. Okay. If you could take a look at
22 Timberlake No. 2?

23 A. Yes, sir.

24 Q. Timberlake No. 2 is a December 11, 2000

1 letter from yourself to Mr. Meckert. Is that a
2 letter you prepared?

3 A. Yes, sir.

4 Q. And in this letter you talk about the
5 normal lease cycle. Do you see that?

6 A. Yes.

7 Q. And you say the normal lease cycle will
8 jeopardize our April target date?

9 A. Uh-huh.

10 Q. Now, did you have any discussions with
11 anyone from National Fleet Leasing regarding what
12 a normal lease cycle would be?

13 A. No.

14 Q. And was this letter an effort on your
15 part to obtain a purchase order from ARR?

16 A. Yes.

17 Q. And you're proposing here that ARR
18 should sign on to purchase orders for a minimum
19 down payment?

20 MR. KATAUSKAS: Objection.

21 That's not what this letter says.

22 MR. O'RIORDAN: Let me ask
23 the question. Maybe he can give
24 me the answer rather than have

1 you answer for him.

2 MR. KATAUSKAS: No. I get
3 to object.

4 MR. O'RIORDAN: Well, you
5 can object but don't speak. If
6 you have an objection put the
7 objection --

8 MR. KATAUSKAS: It doesn't
9 say ARR. You're
10 mischaracterizing the document.
11 Don't show him a document and ask
12 him a question that's not based
13 on the document.

14 MR. O'RIORDAN: Can we hear
15 the question back, please?

16 MR. KATAUSKAS: You said
17 ARR.

18 MR. O'RIORDAN: I can show
19 him a document and ask him a
20 question on anything under the
21 sun.

22 MR. KATAUSKAS: That's
23 right, then the document is off
24 the table.

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1 MR. O'RIORDAN: No, it's
2 not off the table.

3 MR. KATAUSKAS: It's done.

4 MR. O'RIORDAN: No, it's
5 not done.

6 Can you read the question
7 back, please?

8 - - -

9 (Whereupon the reporter read back
10 the last question.)

11 - - -

12 MR. KATAUSKAS: Objection;
13 mischaracterizes the document.

14 MR. O'RIORDAN: It's a
15 question.

16 MR. KATAUSKAS: You can
17 answer it.

18 THE WITNESS: I'm proposing
19 that someone pay a down payment.

20 BY MR. O'RIORDAN:

21 Q. An earlier purchase order we had talked
22 about was with ARR; correct?

23 A. Correct.

24 Q. And it was your understanding that you

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1 were dealing with to issue a purchase order for
2 \$298,000?

3 A. Yes.

4 Q. And is that what happened?

5 A. Yes. We got a purchase order in.

6 Q. And was the purchase order for
7 \$298,000?

8 A. I really don't know exactly. I'd have
9 to look at the purchase order.

10 Q. Okay. Let me see if I can help you
11 out.

12 MR. O'RIORDAN: Mark this,
13 please.

14 - - -

15 (Whereupon the court reporter marked
16 Timberlake-17 for purposes of identification.)

17 - - -

18 MR. KATAUSKAS: Wait until
19 he asks a question. Read the
20 document and then he'll ask a
21 question then you answer. Wait
22 until he's done with the
23 question.

24 BY MR. O'RIORDAN:

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1 Mr. Benison that we discussed earlier marked as
2 Timberlake Exhibit-2?

3 A. Yes, sir.

4 Q. And the total amount of this purchase
5 order is for \$298,000; correct?

6 A. Correct.

7 Q. At any point in time after these
8 purchase orders were issued up until the present
9 time did you have any discussion with anyone from
10 National Fleet Leasing regarding those purchase
11 orders?

12 A. Not regarding the purchase orders.

13 Q. From the time those purchase orders
14 were issued until the present did you have any
15 discussion with National Fleet Leasing about
16 Messer's proposal to buy back that equipment from
17 any lease that was eventually entered into?

18 A. No.

19 Q. Let me restate the last question
20 because I misstated it.

21 Did you have any discussion with
22 anyone from National Fleet Leasing regarding
23 Messer's willingness to buy back the equipment if
24 the lease was not entered into?

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1 A. No. See, that restriction was lifted a
2 few days after these orders were issued.

3 Q. Why was the restriction lifted, if you
4 know?

5 A. I don't know.

6 Q. Did you have any discussion with anyone
7 from RTG or ARR regarding the lifting of that
8 restriction?

9 A. I can't recall.

10 Q. Did you ever have any discussion with
11 anyone from RTG or ARR including Mr. Meckert,
12 Mr. Benison, Mr. Sergi, anybody, regarding those
13 two purchase orders that we talked about being for
14 any amount above the \$298,000 figure that you and
15 I just discussed?

16 A. Yes. This was the down payment on the
17 equipment and we were moving into the purchase of
18 the equipment.

19 Q. And when you say we were moving in you
20 mean --

21 A. Messer.

22 Q. -- Messer?

23 A. Uh-huh.

24 Q. But you had no discussion with anyone

1 from RTG or ARR regarding any intention on their
2 part to issue purchase orders or enter into
3 agreements for amounts over and above the
4 \$298,000?

5 A. They were going to sign the lease
6 agreement for the turnkey project.

7 Q. I'm talking strictly now about the
8 ordering of --

9 A. Not on this. This was a stop-gap
10 measure to allow for the lease agreement later.

11 Q. And we can agree that that lease
12 agreement was not something that was ever signed;
13 correct?

14 A. That's correct.

15 Q. So other than the stop-gap measure
16 involving purchase orders for \$298,000, you never
17 had any agreement or any discussion with anyone
18 from ARR or RTG about their willingness to pay any
19 amounts more than the \$298,000 for the equipment
20 that was on those purchase orders?

21 A. Yes, I did.

22 Q. And who did you have that discussion
23 with?

24 A. Bob Wetzel.

1 court.

2 BY MR. O'RIORDAN:

3 Q. Let me go back. You just said you
4 believed the equipment was sold?

5 A. Uh-huh.

6 Q. What equipment are you referring to?

7 A. The list.

8 Q. The equipment that's on the \$298,000
9 purchase order?

10 A. Yes.

11 Q. And you believe that equipment was sold
12 to whom?

13 A. To RTG.

14 Q. And who sold it to RTG?

15 A. That would be me. The only thing I
16 didn't have was a signed turnkey agreement but I
17 did have a letter of intent. I had down payments
18 on the equipment and I had RTG telling me that
19 they would send the information out imminently for
20 the lease. And I knew that Casella was the parent
21 company and that these were wholly-owned
22 subsidiaries. I had no concern with that.

23 Q. Did you ever have any discussion with
24 anyone as to whether or not Casella was going to

1 guarantee any action by ARR or RTG?

2 A. They were wholly-owned subsidiaries.

3 Q. I understand. I'm just asking about
4 any discussion you may have had?

5 A. No.

6 Q. With respect to this equipment that you
7 say was sold, did anyone from RTG or ARR ever
8 agree that they would purchase the equipment as
9 opposed to paying you a down payment as you had
10 requested in your letter?

11 MR. KATAUSKAS: Again,
12 objection; asked and answered.

13 MR. O'RIORDAN: He just
14 raised the issue. So I want to
15 go back and clear it up.

16 MR. KATAUSKAS: He raised
17 the issue in response to another
18 question that was asked and
19 answered.

20 MR. O'RIORDAN: And he's
21 bringing in ambiguity.

22 MR. KATAUSKAS: He's
23 answered the question.

24 MR. O'RIORDAN: Okay.

1 agreeing to pay in this letter of intent?

2 A. Not in the letter of intent, but the
3 letter of intent refers to documents that are
4 priced.

5 Q. And this whole thing was contingent on
6 the lease?

7 A. It's a package, yes.

8 Q. And you knew at every point in time
9 throughout this that the lease hadn't been
10 executed; right?

11 A. That's correct.

12 Q. Is it fair to say, given what you knew
13 about the lease, is it fair to say at no point in
14 time did you ever believe that there had been a
15 plant ordered by either RTG or ARR?

16 A. No, that's not fair to say at all.

17 Q. At what point in time did you believe a
18 plant had been ordered?

19 A. I believe the letter of intent
20 specified a plant governing those two conditions.

21 Q. And do you believe that those two
22 conditions were ever met?

23 A. I believe that the local authorities,
24 which turned out to be the harshest, which were